



# PAYROLL PROCESSOR'S DISCLOSURE FORM

(To be provided to each client-employer at time of contracting, and subsequently to all client-employers by September 1 of every even-numbered year)

**This form is required by 10 M.R.S.A. Chapter 222**

**Note: Payroll processors that do not handle client-employer funds are not subject to the disclosure requirements of this form.**

Name of Payroll Processor: \_\_\_\_\_

Address \_\_\_\_\_

Length of time in business: \_\_\_\_\_ Contact Person/Phone No.: \_\_\_\_\_

Does the payroll processor contract out any payroll processing services? ☐ Yes ☐ No

If yes, to whom is each service contracted?

**Contractor (Name, address and ph. # of company):**

**Services provided:**

1. \_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

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2. \_\_\_\_\_

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3. \_\_\_\_\_

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## SAFEGUARDS FOR EMPLOYERS:

1. Ensure that your Employer Identification Number is established with an address at which you will receive notices from the IRS and State tax agencies.

2. If you get a notice, contact your preparer. If you are told that it has been taken care of, or that the notice was in error, ask for verification that the problem has been resolved.

3. If the processor claims to be bonded, ensure that the bond extends to third parties.

4. Periodically check with the appropriate government agency to ensure that payments and returns are being filed in a timely manner.

5. If you are not sure of tax filing/payment requirements, consider attending a Small Business Workshop offered by the Small Business Administration, the IRS and Maine Revenue Services. The IRS Taxpayer Education Office (207-622-8328 or 617-565-4325) has schedules and enrollment information.

6. **LACK OF NOTICE DOES NOT MEAN THAT EVERYTHING IS FINE.** Maine Revenue Services is not always aware that you have employees. Until you establish a filing requirement, we may not know of that requirement. By the time you discover that your tax returns are not being filed, substantial penalties and interest may have accrued when you begin to receive notices. When in doubt, contact Maine Revenue Services at 207-626-8475.

## INSTRUCTIONS FOR PAYROLL PROCESSOR'S DISCLOSURE FORM

**Name of Payroll Processor:** Enter your company's business name.

**Length of time in business:** Enter the number of years the company has provided payroll processing services. If less than one year, enter the number of months these services have been performed by the company.

**Does the payroll processor contract out any payroll processing services:** If the company hires subcontractors to perform payroll processing services, check the "Yes" box. If the company performs all payroll processing services, check the "No" box. Payroll processing services include preparing/issuing payroll checks; preparing/filing tax returns (including quarterly withholding/UC reports); collection/submission of employee income tax withholding; and collection/submission of unemployment insurance contributions.

**If yes, to whom is each service contracted?**

**Contractor:** Enter the business name, address and phone number of the company that performs the subcontracted payroll processing service. Enter the complete information for each subcontractor.

**Services provided:** List here all payroll processing services performed by the subcontractor.

**Note:** The disclosure form must be provided to all new client-employers at the time you enter into an initial contract. In addition, you must provide the form to all existing clients on or before September 1 of each even-numbered year.

**Failure to disclose required information to clients constitutes a civil violation, and will subject the payroll service provider to penalties ranging from \$50 to \$250 for each violation. (10 MRSA, §1495-C).**

If you have any questions regarding this form, please call Maine Revenue Services at 207-626-8475.